



March 2006

2006 Higher Education Supplemental Operating and Capital Budgets – As Passed the Legislature

Status and Highlights

2006 Supplemental Operating Budget

On March 8, 2006, the Legislature passed a \$1.0 billion supplemental operating budget for the 2005-07 biennium, bringing state spending to \$50.4 billion in total funds for the biennium. Higher education received a little less than \$58.0 million, or 5.7 percent, of the total increase. This represents a 0.7 percent increase in the total 2005-07 higher education budget.

Of the total supplemental budget increase, about half, or \$522.4 million, was general fund–state. Higher education received \$49.5 million, or 9.5 percent. This represents a 1.7 percent increase in general fund–state funding over the 2005-07 general fund–state budget for higher education.

High-demand Enrollments

Higher Education Coordinating Board

The Higher Education Coordinating Board (HECB) received \$900,000 to contract for 80 high-demand full-time equivalent (FTE) slots at \$11,000 per FTE and \$20,000 to manage the competitive process for awarding the FTEs. Only the regional universities and The Evergreen State College are eligible to submit proposals and apply for funding.

The budget defines high-demand fields as “programs where enrollment access is limited and employers are experiencing difficulty finding qualified graduates to fill job openings.” Each institution that receives funding is directed to report to the HECB and the Office of Financial Management (OFM) on the impact of this funding, particularly the “degree of improved access to high-demand programs for students and successful job placements for graduates.”

State Board for Community and Technical Colleges

The State Board for Community and Technical Colleges (SBCTC) received \$1.5 million to fund 187 high-demand FTEs at an average of \$8,000 each. The budget defines high-demand fields as “programs where enrollment access is limited and employers are experiencing difficulty finding qualified graduates to fill job openings.”

The SBCTC must track enrollments, graduation rates, and job placement in each program that receives high-demand enrollments and report on the outcomes by November 1 of each fiscal year to OFM and the fiscal and higher education committees of the Legislature. The budget specifically limits the funding to new enrollments, rather than funding existing student FTE enrollments.

University of Washington

The University of Washington (UW) received \$2.5 million for 150 new high-demand enrollments targeted specifically at degrees in engineering, math, and science:

- Bachelor’s degrees in engineering and science: 100 FTEs funded at \$16,000 per FTE
- Bachelor’s degrees in math: 50 FTEs funded at \$18,000 per FTE

Washington State University

Washington State University (WSU) received funding for high-demand enrollments similar to the funding the UW received. WSU received \$1.17 million for 80 FTEs targeted specifically to degrees in nursing, engineering, and construction management:

- Graduate degrees in nursing: 20 FTEs funded at \$18,000 per FTE
- Bachelor’s degrees in nursing: 20 FTEs funded at \$14,000 per FTE
- Bachelor’s degrees in engineering and construction management: 40 FTEs funded at \$13,300 per FTE

Other Enrollment Funding

WSU received \$250,000 to begin planning for the expansion of lower-division undergraduate student enrollment at WSU Tri-Cities beyond the authority granted during the 2005 session. This would move WSU Tri-Cities closer to becoming a four-year campus serving both lower- and upper-division students. WSU Tri-Cities may begin enrolling lower-division students in a broader range of academic programs beginning in fall 2007.

The SBCTC received almost \$1.4 million in increased funding:

- **\$156,000 for three community and technical colleges to partner with four-year universities to offer bachelor degrees** on the community and technical college campuses. This funding is to serve 120 existing FTEs.
- **\$325,000 to serve 250 existing FTEs at Everett Community College.** The funding implements Substitute House Bill 3113, which responds to the preliminary report on higher education opportunity in the North Snohomish, Island, and Skagit (NSIS) counties region, submitted by Everett Community College to the Legislature on November 30, 2005. If the bill is not enacted by June 30, 2006, the funding lapses.
- **\$904,000 to provide planning and one-time start-up funds for applied baccalaureate degree programs** at four community and technical colleges. These degrees were authorized in Chapter 258, Laws of 2005 (E2SHB 1794).

Student Financial Aid

Higher Education Coordinating Board

The HECB received almost \$1.1 million for three financial aid programs, including:

- **\$75,000 to stabilize GEAR UP** (Gaining Early Awareness and Readiness for Undergraduate Programs) scholarships for students.
- **\$500,000 to contract with Leadership 1000**, which is implemented by the Washington Education Foundation. Funding is provided to support, develop, and implement the scholarship program.
- **\$500,000 to expand the Future Teachers' Conditional Scholarship and Loan Repayment Program** by 70 additional slots. These slots are to be solely for prospective teachers in special education, bilingual education, secondary mathematics, and secondary science.

State Board for Community and Technical Colleges

The SBCTC received \$4.0 million to create the Opportunity Grants Pilot Program. The program is “designed to test strategies for increasing access to postsecondary education for low-income students in job-specific programs.” Grant funds can be used for “tuition, books, fees, and other expenses associated with attending a workforce education program.” Participating students “must be enrolled and maintain satisfactory progress in a program linked to skills standards or industry credentials.” Participating community and technical colleges are required to coordinate

with the HECB regarding those students who also are accessing traditional forms of student financial aid. The SBCTC and HECB will conduct a joint evaluation of the program and submit a report to the Legislature and governor by November 15, 2008.

Program Enhancements

University of Washington

The UW received a little more than \$6.1 million for various program enhancements. They include:

- \$2.4 million for maintenance and operations of the Life Sciences Research building near Lake Union;
- \$2.0 million for maintenance and operations for the Bioengineering and Genome Sciences building, which is expected to open this biennium;
- \$500,000 to create the Department of Global Health, which will focus on identifying and evaluating health problems and inequities among underserved populations and developing and implementing innovative interventions to reduce disease incidences;
- \$400,000 for enhancements to the Pacific Northwest Seismic Network;
- \$300,000 for the Math Engineering Science Achievement (MESA) Washington program; and
- \$100,000 for service delivery enhancements at the Autism Center at UW–Tacoma.

Washington State University

WSU received a little more than \$2.3 million for various program enhancements, including:

- \$800,000 for operational support for the Agricultural Weather Network;
- \$400,000 for the Center for Sustaining Agriculture and Natural Resources to create a Biologically Intensive and Organic Agriculture Program, whose mission is to enhance economic and environmental health of Washington agriculture through research, education, and outreach on organic and other biologically intensive farming methods;
- \$98,000 to establish a Biofuels Consumer Education and Outreach Program at the WSU Extension Energy Program; and
- \$1.0 million for pass-through to “a private, nonprofit medical and scientific research institute to be located in Spokane for the purposes of developing and implementing new medical treatment therapies involving systems biology, genomics, and nanotechnology.” WSU is specifically precluded from retaining any of the money for administrative purposes.

Central Washington University

Central Washington University (CWU) received \$330,000 in general fund–state funding to increase its tuition waiver authority from 8 to 11 percent. This change was accompanied by a reduction of the same amount in the university’s spending authority from the Institutions of Higher Education Operating Fees Account.

Eastern Washington University

Eastern Washington University (EWU) received \$100,000 for the inclusive preschool for children identified with autism spectrum disorder at the Northwest Autism Center.

The Evergreen State College

The Evergreen State College (TESC) received \$360,000 for various programs, including:

- \$260,000 for four studies to be conducted by the Washington Institute for Public Policy (WSIPP), located at TESC;
- \$80,000 to meet the demand for collective bargaining and bargaining unit training at the Labor Research and Education Center; and
- \$20,000 to record and document oral histories of tribal elders of the tribes surrounding Hood Canal and other long-term area residents who are knowledgeable about the history of the conditions along Hood Canal.

Western Washington University

Western Washington University (WWU) received \$900,000 for three items:

- \$400,000 to help coordinate planning efforts related to the university’s expansion to the Bellingham waterfront;
- \$250,000 to establish a Planning and Emergency Management program; and
- \$250,000 to support research projects dealing with border issues at the Border Policy Research Institute.

State Board for Community and Technical Colleges

The SBCTC received almost \$6.2 million for various programs, including:

- \$275,000 for the Transitions Math Project, which aims to address the need to reduce the number of remedial math courses taken at public colleges and universities;
- \$1.0 million to expand the Job Skills Program;
- \$4.6 million to maintain and operate recently constructed state-approved facilities; and
- \$150,000 for the firefighter apprenticeship program at South Seattle Community College.

Compensation

The majority of compensation-related funding went to the SBCTC. The agency received approximately \$5.6 million, which included:

- \$140,000 to raise nursing faculty salaries by \$10,000 each in fiscal year 2007 for a nursing faculty retention and recruitment pilot project at Yakima Valley Community College and another community college on the west side of the state;
- \$1.5 million for both full- and part-time faculty salary increments;
- \$3.2 million for a cost-of-living adjustment mandated by Initiative 732; and
- \$768,000 to implement Second Substitute House Bill 2583, which would maintain uninterrupted health care benefits for part-time academic employees at community and technical colleges. If the bill is not enacted by June 30, 2006, the funding lapses.

Other

The HECB received \$337,000 to pay for recently leased additional office space, as well as an increase in the lease on existing space.

Several bills were also funded in the conference budget, including four bills requiring studies by The Evergreen State College's Washington State Institute for Public Policy, totaling \$424,000. An additional \$3.1 million in funding was also provided for the SBCTC. The bill, Second Substitute Senate Bill 6326, establishes the Washington Customized Employment Training Program to provide training assistance to employers locating or expanding in the state. The budget appropriates slightly more than \$3.0 million from the state general fund for deposit into the Employment Training Finance Account, which is created in the bill, and \$75,000 to create the program at the SBCTC.

2006 Higher Education Supplemental Operating Budget Comparison

March 2006

(dollars in thousands)

			Governor Proposed	As Passed Senate	As Passed House	As Passed Legislature	Notes
2005-07 Enacted Budget (all funds)	\$8,101,095						
Technical Corrections	\$6,052		\$6,740	\$6,740	\$6,740	\$6,740	SBCTC (\$10,000) and WSU (-\$3,260)
Unexpected Energy Costs (one-time costs)	\$14,019		\$1,208	\$4,637	\$3,016	\$3,016	Natural gas cost increases only, funding for FY 2006 only
	Institutions' Requests	HECB Recommendation	Governor Proposed	As Passed Senate	As Passed House	As Passed Legislature	Notes
Allocating Student Enrollments							
Two-Year Enrollments	\$756	\$756	\$756	\$108	\$156	\$156	Increases funding to \$6,300 for 120 existing FTEs; essentially shifts FTEs from lower- to upper-division
Undergraduate	\$0	\$630	\$0	\$150	\$0	\$0	
Graduate	\$0	\$0	\$0	\$0	\$0	\$0	
WSU Tri-Cities Lower-Division Planning Funds	n/a	n/a	n/a	n/a	\$250	\$250	Funding provided as outlined in SHB 2867, but not contingent upon passage of bill
NSIS FTEs (SHB 3113)	n/a	n/a	n/a	n/a	\$325	\$325	Increases funding to \$6,300 for 250 existing FTEs at CTCs; essentially shifts FTEs from CTCs to University Center at Everett
Increasing Enrollments in Specialized Fields							
High-demand/high-need grant program	\$0	\$7,485	\$0	\$3,000	\$3,674	\$6,074	HECB: 80 FTEs funded at \$11,000 each + \$20 for admin; UW: 150 FTEs in engineering, math and science; WSU: 80 FTEs in nursing (undergrad and grad) and engineering and construction management; SBCTC: 187 FTEs funded at \$8,000 average each
Increasing Student Retention and Graduation Rates	\$0	\$8,321	\$0	\$0	\$0	\$0	
Salaries and Benefits							
Classification Revisions	n/a	n/a	(\$135)	(\$158)	(\$158)	(\$158)	Statewide adjustment
Pension Plan 1 Unfunded Liabilities	n/a	n/a	\$5,417	\$5,417	\$5,417	\$5,417	Statewide adjustment
WSU Correction to Pension Funding	n/a	n/a	\$0	\$148	\$148	\$148	
CTC Part-Time Faculty Salaries	\$6,700	\$0	\$0	\$0	\$0	\$0	
CTC Faculty Professional Development/Experience Increments	\$2,400	\$0	\$0	\$1,000	\$2,400	\$1,500	Full-time and part-time faculty
Initiative 732 COLA	n/a	n/a	\$2,964	\$3,239	\$3,239	\$3,239	SBCTC only
SBCTC Nursing Faculty Pilot	n/a	n/a	\$0	\$140	\$0	\$140	
Part-time Healthcare Benefits at CTCs (2SHB 2583)	n/a	n/a	n/a	n/a	\$768	\$768	
HECB Retirement Annuity	\$191	\$191	\$0	\$0	\$0	\$0	

2006 Higher Education Supplemental Operating Budget Comparison (continued)
March 2006
(dollars in thousands)

	Institutions' Requests	HECB Recommendation	Governor Proposed	As Passed Senate	As Passed House	As Passed Legislature	Notes
Expanding Student Financial Aid							
GEAR UP Scholarships	\$2,520	\$2,520	\$75	\$75	\$75	\$75	Bill language allows transfer of unexpended Promise, then SNG
Future Teacher Conditional Scholarships	\$0	\$1,000	\$0	\$1,022	\$644	\$511	Priority to be placed on prospective teachers in special education, bilingual education, mathematics, and science; not linked to any
Leadership 1000 Scholarships	n/a	n/a	n/a	\$500	\$500	\$500	Pass-thru only to Washington Education Foundation
Opportunity Grants (E2SHB 2630)	n/a	n/a	n/a	n/a	\$5,075	\$0	
Opportunity Grants Pilot Program	n/a	n/a	n/a	n/a	n/a	\$4,075	Funded as stand-alone pilot program; program based at SBCTC; \$4,000 for program; \$75 to work with nonprofit organization
Special Program Improvements							
Accommodating Students with Disabilities	\$2,735	\$0	\$0	\$0	\$0	\$0	
UW Improve Disaster Response Capabilities	\$2,500	\$0	\$0	\$0	\$0	\$0	
UW Improve Undergraduate Retention and Graduation Rates	\$2,000	\$0	\$0	\$0	\$0	\$0	
UW Pacific NW Seismic Network	\$400	\$0	\$400	\$180	\$400	\$400	
UW Burke Museum Educational Programs	n/a	n/a	n/a	\$150	\$150	\$150	
UW Math Engineering Science Achievement (MESA) Outreach	n/a	n/a	n/a	\$500	\$0	\$300	
UW People of Color Curriculum Review	n/a	n/a	n/a	n/a	\$125	\$125	
UW Washington Search for Young Scholars	n/a	n/a	n/a	n/a	\$150	\$150	
WSU Local Government Publication	n/a	n/a	n/a	\$10	\$5	\$5	
WSU Biofuels Energy Extension Program	n/a	n/a	n/a	n/a	\$0	\$98	Passed Appropriations, but moved to CTED on House floor
UW/WSU Coordinated Technology Transfer	\$850	\$0	\$0	\$0	\$0	\$0	
UW/WSU Policy Consensus Center	\$400	\$0	\$200	\$0	\$200	\$0	
Autism	n/a	n/a	n/a	\$200	\$0	\$200	UW-Tacoma Autism Center (\$100), EWU Northwest Autism Center (\$100)
CWU Tuition Waiver Authority	\$0	\$0	\$0	\$0	\$0	\$0	Replaces tuition revenue with GF-S (CWU requested \$1,314; funded \$330)
Washington State Institute for Public Policy (WSIPP) Studies (at TESC)	n/a	n/a	n/a	\$170	\$30	\$260	Education cost-benefit study (\$125), hearing impaired students (\$55), remediation programs study (\$50), children's mental health pilots (\$30)
TESC Labor Research and Education Center	n/a	n/a	n/a	n/a	\$80	\$80	
TESC Hood Canal Oral Histories	n/a	n/a	n/a	n/a	n/a	\$20	
WWU Planning for Waterfront Expansion	\$1,590	\$0	\$0	\$0	\$400	\$400	
WWU Planning & Emergency Management Program Track	\$250	\$0	\$0	\$0	\$250	\$250	
CTC Digital Libraries	\$1,400	\$0	\$0	\$0	\$1,400	\$0	
Start-Up Funding for CTC Applied Baccalaureates	\$904	\$904	\$904	\$400	\$904	\$904	
SBCTC Transitions Math Project	n/a	n/a	n/a	\$550	\$0	\$275	
SBCTC Job Skills Program	n/a	n/a	n/a	\$1,000	\$0	\$1,000	
SBCTC Firefighter Apprenticeship Program	n/a	n/a	n/a	n/a	\$150	\$150	Program at South Seattle Community College
SBCTC Healthcare Partnerships	n/a	n/a	n/a	n/a	\$150	\$150	

2006 Higher Education Supplemental Operating Budget Comparison (continued)
March 2006
(dollars in thousands)

	Institutions' Requests	HECB Recommendation	Governor Proposed	As Passed Senate	As Passed House	As Passed Legislature	Notes
Maintenance and Operations							
Institutions	\$13,307	\$0	\$8,125	\$8,095	\$11,495	\$10,095	UW: \$2,400 for Life Sciences building and \$2,000 for Bioengineering and Genome Sciences building; SBCTC: \$5,194;
HECB Lease Increase	\$337	\$337	\$338	\$337	\$337	\$337	Final budget funds less GF-S/more GET funds than HECB or governor
SmartBuy	n/a	n/a	(\$3,616)	\$0	\$0	\$0	Statewide adjustment; OFM directed to make allotment reductions to appropriate state agencies, rather than reducing agency budgets individually; SBCTC specifically exempted
Central Service Agency Charges	n/a	n/a	\$163	\$163	\$163	\$163	Statewide adjustment
Helping Transfer Students Earn Baccalaureate Degrees	\$1,641	\$1,641	\$0	\$0	\$0	\$0	
Measuring Student Success with Improved Data System	\$152	\$152	\$0	\$0	\$0	\$0	
Research							
UW "E-Science Institute"	\$3,000	\$0	\$0	\$0	\$0	\$0	
UW Global Health Initiative	\$2,000	\$0	\$0	\$500	\$2,000	\$500	
WSU Agricultural Weather Network	\$800	\$0	\$0	\$800	\$800	\$800	
WSU Biologically Intensive & Organic Agriculture	\$800	\$0	\$0	\$0	\$800	\$400	
WSU Life Sciences Research	n/a	n/a	n/a	\$1,000	\$1,000	\$1,000	Pass-thru only
WWU Border Policy Research Institute	\$375	\$0	\$0	\$0	\$0	\$250	
Funding for Bills							
4SHB 1483 (investing in youth program)	n/a	n/a	n/a	n/a	\$40	\$40	WSIPP at TESC
2SHB 2002 (foster care support services)	n/a	n/a	n/a	n/a	\$61	\$61	WSIPP at TESC
2SHB 2582 (high school completion program)	n/a	n/a	n/a	n/a	n/a	\$0	SBCTC; proviso says current GF-S appropriation sufficient to implement bill
ESSB 5551 (minimum wage study)	n/a	n/a	n/a	\$150	\$0	\$0	
SSB 6192 (solar electric generation)	n/a	n/a	n/a	\$160	\$0	\$0	
E2SSB 6239 (controlled substances and methamphetamine)	n/a	n/a	n/a	\$48	\$0	\$48	WSIPP at TESC
2SSB 6326 (customized workforce)	n/a	n/a	n/a	n/a	n/a	\$6,225	SBCTC; \$75 to implement bill; \$3,075 GF-S to deposit into Employment Training Finance Account (remaining \$3,075 is authority to spend funds deposited into ETFA)
SSB 6605 (education interpreters for hearing impaired students)	n/a	n/a	n/a	\$55	\$0	\$0	
SSB 6618 (high school assessment system)	n/a	n/a	n/a	\$275	\$0	\$275	WSIPP at TESC
Total Increase	\$68,079	\$23,937	\$23,539	\$40,761	\$53,359	\$57,887	
Total Operating Funds	\$8,169,174	\$8,125,032	\$8,124,634	\$8,141,856	\$8,154,454	\$8,158,982	
Percentage increase over 2005-07 enacted	0.8%	0.3%	0.3%	0.5%	0.7%	0.7%	
Transportation Budget Request							
WWU Purchase of Lincoln Creek Transportation Center	\$3,000	\$0	\$0	\$0	\$0	\$0	
Total Transportation Funds	\$3,000	\$0	\$0	\$0	\$0	\$0	

2006 Higher Education Supplemental Operating Budget - As Passed the Legislature

March 2006
(dollars in thousands)

	Total	UW	WSU	CWU	EWU	TESC	WWU	SBCTC	HECB
2005-07 Expenditure Authority	\$8,101,095	\$3,774,690	\$993,508	\$214,410	\$181,700	\$102,083	\$292,378	\$2,120,064	\$422,262
Supplemental Maintenance Changes	\$11,560		(\$2,611)					\$13,834	\$337
Supplemental Policy Changes									
High-Demand Enrollments*	\$2,400							\$1,500	\$900
Math and Science Enrollments*	\$3,674	\$2,500	\$1,174						
Applied BA and Co-Location Costs*	\$1,060							\$1,060	
WSU Tri-Cities Lower-Division Planning Funds*	\$250		\$250						
Consortium University Contracts (SHB 3113)*	\$325							\$325	
GEAR UP Stabilization**	\$75								\$75
Leadership 1000 Scholarships*	\$500								\$500
Future Teacher Scholarships*	\$511								\$511
Pension Plan 1 Unfunded Liabilities	\$5,417	\$2,892	\$427	\$110	\$124	\$77	\$191	\$1,556	\$40
Central Service Agency Charges	\$163	\$23	\$23	\$21	\$22	\$9	\$22	\$25	\$18
Classification Revisions	(\$158)	(\$139)	(\$249)	\$2	\$12	\$19	(\$2)	\$199	
Utility Rate Adjustments*	\$3,016	\$1,008	\$716	\$206	\$158	\$69	\$98	\$761	
Bioengineering and Genome Sciences buildings O&M*	\$2,000	\$2,000							
Pacific Northwest Seismic Network*	\$400	\$400							
Life Sciences Research*	\$3,400	\$2,400	\$1,000						
UW - Tacoma Autism Center*	\$100	\$100							
Northwest Autism Center*	\$100				\$100				
Global Health Initiative*	\$500	\$500							
Burke Museum Educational Programs*	\$150	\$150							
Math Engineering Science Achievement (MESA) Outreach*	\$300	\$300							
WA Search for Young Scholars*	\$150	\$150							
People of Color Curriculum Review*	\$125	\$125							
Agricultural Weather Network*	\$800		\$800						
Biologically Intensive and Organic Agriculture*	\$400		\$400						
Biofuels Energy Extension Program*	\$98		\$98						
Local Government Publication*	\$5		\$5						

2006 Higher Education Supplemental Operating Budget – As Passed the Legislature (continued)

March 2006
(dollars in thousands)

	Total	UW	WSU	CWU	EWU	TESC	WWU	SBCTC	HECB
Tuition Waiver*	\$0			\$0					
Education Cost-Benefit Study*	\$125					\$125			
Foster Care to Age 21 Study (2SHB 2002)*	\$61					\$61			
Hood Canal Oral Histories*	\$20					\$20			
Remediation Programs Study*	\$50					\$50			
Hearing Impaired Students*	\$55					\$55			
High School Assessment System (SSB 6618)*	\$275					\$275			
Children's Mental Health Pilots*	\$30					\$30			
Studies on Controlled Substances (E2SSB 6239)*	\$48					\$48			
Labor Research and Education Center*	\$80					\$80			
Reinvesting in Youth Program (4SHB 1483)*	\$40					\$40			
Expansion to Bellingham Waterfront*	\$400						\$400		
Planning and Emergency Management Program*	\$250						\$250		
Border Policy Research Institute*	\$250						\$250		
Facilities Maintenance	\$4,599							\$4,599	
Transitions Math Project*	\$275							\$275	
Opportunity Grants Pilot Program*	\$4,075							\$4,075	
Job Skills Program*	\$1,000							\$1,000	
Customized Workforce Training (2SSB 6326)	\$6,225							\$6,225	
Nursing Faculty Pilot*	\$140							\$140	
Faculty Salary Increments*	\$1,500							\$1,500	
Firefighter Apprenticeship Program*	\$150							\$150	
Healthcare Partnerships*	\$150							\$150	
Part-time Health Benefits (2SHB 2583)*	\$768							\$768	
High School Completion Program (2SHB 2582)*	\$0							\$0	
Subtotal	\$57,887	\$12,409	\$2,033	\$339	\$416	\$958	\$1,209	\$38,142	\$2,381
Total Proposed Budget	\$8,158,982	\$3,787,099	\$995,541	\$214,749	\$182,116	\$103,041	\$293,587	\$2,158,206	\$424,643
Difference	\$57,887	\$12,409	\$2,033	\$339	\$416	\$958	\$1,209	\$38,142	\$2,381
Percent Change from Current Biennium	0.7%	0.3%	0.2%	0.2%	0.2%	0.9%	0.4%	1.8%	0.6%
* Provisoed									
** Provisoed as one-time funding									
FTEs	504	150	112				(25)	187	80

2006 Supplemental Capital Budget

On March 8, 2006, the Legislature passed a \$277.78 million supplemental capital budget for the 2005-07 biennium, following adoption of the conference committee report. State bonds account for \$143,864,000 of the total budget.

Of that total, higher education received \$30.269 million in Gardner-Evans bonds. Additional funding of \$4.5 million from the State Toxics Control Account brings the total higher education funding in the 2006 supplemental budget to \$34.769 million. The supplemental budget will increase the 2005-07 total biennial capital appropriation for higher education to \$956.632 million.

Highlights of the new projects approved by the Legislature include:

- \$4.5 million in funds to renovate More Hall Annex, allowing a shift in funding to construct the Nanotechnology Lab at the University of Washington, Seattle campus;
- \$4.0 million for acquisition of land at the University of Washington, Tacoma campus;
- \$10.0 million for design and related activities for the Technology/Life Sciences 2 building at Washington State University in Pullman; the remaining \$53 million will be requested in the 2007-09 biennial budget cycle;
- \$400,000 for two project predesigns at Eastern Washington University: Patterson Hall Remodel and Martin Williamson Renovation;
- \$1.88 million for chiller replacement at Central Washington University;
- \$4.25 million to settle construction claims on the Seminar II building project at The Evergreen State College;
- \$3.84 million for an Undergraduate Education Center at Everett Community College, which will be part of a building currently under design;
- \$1.95 million for a water system replacement at Green River Community College;
- \$1.7 million for a primary power branch replacement project at Highline Community College;
- \$268,000 for Maritime Academy repairs at Seattle Central Community College;

- \$325,000 in additional funding for the Science Building replacement project at Skagit Valley College;
- \$1.63 million for fire loop replacement at Skagit Valley College; and
- \$14.0 million in alternative financing for three projects:
 - Edmonds Community College Bookstore and Student Center (\$8.5 million)
 - Columbia Basin College Health Science Center in Pasco (\$3.0 million)
 - Lincoln Creek Transportation Center in Bellingham for Western Washington University (\$2.59 million)

Summary Comparison Table

The table on pages 15 and 16 summarizes the 2006 supplemental capital budget and compares the institutions' requests to the HECB recommendation, the governor's proposed budget, and the enacted budget.

Gardner-Evans Bonds Authorization Status

In 2002, former governors Gardner and Evans, in consultation with the higher education community, developed and presented a plan to add \$1.4 billion over a 10-year period to higher education capital spending. The additional funds were to be used to address building preservation needs and to provide new capacity.

In response to the Gardner-Evans "Higher Education Leadership Project" (HELP) proposal, the 2003 governor and Legislature enacted Engrossed Substitute Senate Bill (ESSB) 5908, the "Building Washington's Future Act." The legislation authorized the State Finance Committee to issue, subject to legislative appropriation, approximately \$750 million in general obligation bonds over three biennia, beginning in 2003-05, to provide additional capital funding for higher education.

As stated in the Act, the Legislature's intent in adopting ESSB 5908 was that:

"(The) new source of funding not displace funding levels for the capital and operating budgets of the institutions of higher education. It is instead intended that the new funding will allow the institutions, over the next three biennia, to use the current level of capital funding to provide for many of those urgent preservation, replacement, and maintenance needs that have been deferred. This approach is designed to maintain or improve the current infrastructure of our institutions of higher education, and simultaneously to provide new instruction and research

capacity... This new source of funding may also be used for major preservation projects that renovate, replace, or modernize facilities to enhance capacity/access by maintaining or improving the usefulness of existing space for important instruction and research programs.”

The chart below shows the appropriation history of the Gardner-Evans bond authorization, including expenditures from the fund source by budget and the remaining amount of the authorization.

Gardner-Evans Appropriation History

2003 Authorization	\$750,000,000
2003-05 Biennial Budget	(\$170,090,056)
2004 Supplemental Budget	(\$111,209,761)
2005-07 Biennial Budget	(\$233,763,957)
2006 Supplemental Budget	(\$30,269,000)
Total Appropriations	(\$545,332,774)
Balance	<u>\$204,667,226</u>

2006 Higher Education Supplemental Capital Budget Comparison
March 2006

	Institutional Request	HECB Recommended	Governor Proposed	As Passed Legislature
HECB No capital requests	\$0	\$0	\$0	\$0
UW				
Nanotechnology Research Recruitment	\$4,500,000	*	\$0	\$4,500,000
Undergraduate Chemistry Laboratory Remodels	\$3,000,000	*	\$0	\$0
Biological Structures Federal Grant Match	\$4,000,000	*	\$0	\$0
Magnuson Health SciComplex H-Wing Renovation	\$4,000,000	*	\$0	\$0
Replace Earthquake Damaged Library Shelving	\$2,650,000	\$2,650,000	\$0	\$0
Friday Harbor Dock Replacement	\$2,000,000	*	\$0	\$0
UW Emergency Operations Center	\$1,000,000	*	\$0	\$0
UW Tacoma Land Acquisition and Soil Remediation	\$4,700,000	\$4,700,000	\$0	\$4,000,000
Release of Restoration Phase II Design Funds	\$0	\$0	\$0	\$0
<i>UW Total</i>	<i>\$25,850,000</i>	<i>\$7,350,000</i>	<i>\$0</i>	<i>\$8,500,000</i>
WSU				
Minor Works - Facility Preservation	\$0	\$0	\$0	\$0
WSU Pullman - Biotechnology/Life Sciences 2				\$10,000,000
CWU				
Replace chiller	\$2,000,000	\$2,000,000	\$1,880,000	\$1,880,000
EWU				
Patterson Hall Renovation (pre-design/design)	\$2,000,000	*	\$0	\$200,000
Martin-Williamson Hall Remodel (pre-design/design)	\$2,000,000	*	\$0	\$200,000
Authorize Sale of Spokane property; Riverpoint use	n/a	n/a	n/a	\$0
<i>EWU Total</i>	<i>\$4,000,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$400,000</i>
TESC				
Seminar II	n/a	n/a	n/a	\$4,250,000

2006 Higher Education Supplemental Capital Budget Comparison (continued)
March 2006

	Institutional Request	HECB Recommended	Governor Proposed	As Passed Legislature
WWU				
Planning - Campus Expansion to Bellingham Waterfront	\$0	\$0	\$1,000,000	operating budget
SBCTC				
Everett CC Undergraduate Education Center	n/a	n/a	n/a	\$3,844,000
Green River Campus Water System	\$1,951,000	*	\$0	\$1,951,000
Highline West Primary Power Feed Branch	\$1,717,000	\$1,717,000	\$0	\$1,717,000
Seattle Central Maritime Academy Repairs (renamed)	\$1,856,000	*	\$0	\$268,000
Skagit Valley Campus Fire Loop	\$1,634,000	*	\$0	\$1,634,000
Skagit Valley College Science Building Replacement	n/a	n/a	n/a	\$325,000
Inflation Reserve Account	\$3,000,000	\$3,000,000	\$0	\$0
<i>SBCTC Total</i>	<i>\$8,207,000</i>	<i>\$4,717,000</i>	<i>\$0</i>	<i>\$9,739,000</i>
GRAND TOTAL	\$40,057,000	\$14,067,000	\$2,880,000	\$34,769,000

Items Not Included in Total:

WSU	COP Authority for Biotechnology Life Sciences Building	\$63,000,000	\$63,000,000	\$63,000,000	no
WWU	Lincoln Creek transportation center	n/a	n/a	n/a	\$2,950,000
SBCTC					
	Bellevue CC North Center Bldg Purchase (withdraw)	-\$20,000,000	-\$20,000,000	-\$20,000,000	-\$20,000,000
	Clark College Corporate Education Center (revise scope of previously authorized COP)	\$9,100,000	\$9,100,000	\$9,100,000	\$9,100,000
	Edmonds Student Union and Bookstore (students voted self-assessment)	\$8,500,000	\$8,500,000	\$8,500,000	\$8,500,000
	Walla Walla (revise scope of previously authorized project)	\$0	\$0	\$0	\$0
	Columbia Basin College (Richland health services center)	n/a	n/a	n/a	\$3,000,000

* While not addressing unanticipated or emergent needs, the HECB recognized these projects to have significant merit and deserve consideration for funding by the governor and Legislature.

n/a = Project request not made at this stage in the budget process.